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# **National Intelligence Daily**

Saturday 12 April 1980

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Warning Notice

Intelligence Sources and Methods Involved

(WNINTEL)

National Security Information

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CIA	LATE ITEM	
LIBERIA: Apparent Coup		
President Tolbert ma in an apparently successf ments of his presidential Doe. In a radio broadcas	ul coup mounted guard led by a	by junior ele- Sergeant Samuel
terms of the previous reg	ime's "rampant	corruption."
Forces loyal to Tolb	ert for the mos	t part appear
to be in disarray.		
has not clarified whether government or hand over p	he intends to	tribal Liberian- form a military
Tolbert. He has announce	d, however, tha	t he will stay
in charge "until corrupti	on is eliminate	<b>a.</b> "
Several political pr released, including Gabri moderately leftist Progre arrested last month on ch precipitate rice riots la down the Tolbert regime.	el Mathews, lea ssive People's arges of treaso	der of the Party, who was n. He helped
Top military command such as Minister of Justi and paramilitary elements	ce Chesson, who	control police
Liberian-US relations characterized by a "special reports that US citizens tary communications facilitacked. If leftist civilito power or gain influent may well end its close rette least impose a monetarthere.	al relationship or important US ities in Liberia ian opposition a ial positions, l lationship with	." We have no civil and mili- a have been at- elements come nowever, Liberia the US or at
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SITUATION REPORTS	
IRAN	
Since late March there reportedly have been in the US Embassy compound between the hostages	n several scuffles and their quards.
Iran-Iraq	
Bani-Sadr's tough rhetoric on Iraq ably does not indicate that Iran is read scale military conflict. He claimed that military is ready for war, but he is well the deficiencies of the Iranian armed for does not believe war with Iraq is necess and other Iranians believe the Iraqi reg from within and that Iran can help spur best with propaganda and limited support dents.	ly for a full- at the Iranian al aware of arces. Tehran ary. Khomein aime will collapse such a collapse
The Soviets appear increasingly con deteriorating relations between Iran and has cast Iraq in the role as the aggress ian reports that armed groups from Iraq	Iraq. Moscow
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into Iranian territory with the aim of overthrowing the government in Tehran. The Soviets, however, also have said that Iraq is reacting to Iranian attempts to export its revolution "into neighboring countries."

Soviet media have also voiced concern that the US is intent on setting Iran and Iraq against each other and suggested that Washington might use such a conflict as a pretext for military intervention in the Persian Gulf area.

## Oil Imports

The reluctance of Japan and some West European nations to commit themselves on sanctions against Iran reflects in part their dependence on Iranian oil. Japan's oil purchases from Iran have been running well ahead of the 620,000 barrels per day limit set by Tokyo late last year. In January, Japan imported 17 percent of its crude from Iran.

While most West European countries have reduced their dependence on Iranian oil, West Germany is now importing 15 percent of its oil from Iran, compared with 11 percent in 1979. French dependence has been running at around 5 percent since the Iranian revolution, while Italy imported only about 2 percent of its oil from Iran last year.

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AFGHANISTAN-USSR		

Moscow is apparently making no headway in its efforts to get government officials from the opposing Parchamist and Khalqi factions in Babrak's regime to work together on behalf of the "revolution." The split between the Parchamists and Khalqi officials is reportedly widening and impeding the government's ability to function. The Parchamist Minister of Planning, for example, will not return to Kabul from Moscow until a Khalqi rival is removed, and the Khalqi Minister of Interior refuses to work because he cannot get along with his Parchamist chief of police.

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#### BRIEFS AND COMMENTS

CHINA-USSR-US: Relations

Deng	Xiaoping	yest	erday	denounc	ed	Soviet .	foreign	policy	and
expressed	satisfact	tion_	with	US-China	re	elations	while	taking	note
of "our da	ifferences	3. "							

In an interview with a US newsman on the day the Sino-Soviet treaty expired, Deng's criticism focused on Afghanistan. His comments appear intended in part to turn aside the vague offer made on Monday by the Soviets to reopen political or border negotiations. Although Deng did not rule out resuming political negotiations "when it is necessary," he enumerated the same demands that stalled the round of talks last fall in Moscow. Chinese media have not yet commented directly on the Soviet offer.

The chances of an early resumption of Sino-Soviet negotiations seem remote. Moscow's offer to reopen talks came in the context of a sharply negative assessment of Chinese policy trends. Moreover, the Soviets began a major military exercise in the Far East on the day they made their offer, further worsening the atmosphere already poisoned by the invasion of Afghanistan.

Deng said he was satisfied with China's relations with the US, but he also said that the US military aid offering to Pakistan was too small, and he implicitly cautioned against US measures regarding Iran that could benefit the USSR and draw attention away from the Soviet invasion of Afghanistan. Echoing a line conveyed in the past by other senior Chinese spokesmen, Deng stressed that the relationship is based on strategic onsiderations, chiefly common anxiety over Soviet expansion. In an interview with Japanese journalists in late March, Deng had said that the failure of Western politicians to take a strategic viewpoint has led to divisiveness. He also said that it was responsible for the failure to recognize that Soviet efforts in Southwest Asia ultimately are aimed at undermining European security.

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WEST GERMANY: Olympic Boycott Decision	
of the West German Olympic committee, one o International Olympic Committee vice presid	ents, has
stated that West German Olympic officials paccept government direction on the matter.	robably would
A decision before 15 May would leave a other countries to fall into line with US O Most West European countries have indicated follow Bonn's lead on the issue.	lympic policy.

NIGERIA-LIBYA: Involvement in Chad
Nigeria's determination to reduce French influence in Chad could also facilitate Libyan involvement there.
Nigeria considers French influence in western and central Africa as a threat to its own aspirations for
regional leadership. Lagos has opted out of the latest
mediation efforts in Chad by the Organization of African Unity, partly because it sees them as French-inspired.

Lagos will resist substituting a Libyan role for French influence in Chad. The Shagari government is afraid that Qadhafi would use Chad as a base for cultivating Muslim radicals in predominantly Muslim northern

Nigeria.

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### CUBA - ANDEAN PACT: Deteriorating Relations

mains stalemated and is complicating Cuban relations with key	eruvian Embassy in Havana re-
members of the Andean Pact.	g Cuban relations with key

Havana has refused to permit international organizations to intercede on behalf of the refugees, maintaining that the problem is a bilateral one. The Pact did issue a declaration affirming its support of the right of political asylum and asserting Cuba's responsibility for resolving the crisis. Only Spain, Costa Rica, and Peru have offered to admit a combined total of 1,800 refugees.

In a propaganda counteroffensive, Havana continues to blame Peru and Venezuela--both Pact members--for precipitating the crisis. Cuba has charged the two with distorting the right of asylum to protect criminals and of coordinating their actions with the US to provoke the situation. The Castro regime is trying to portray its actions in a humanitarian light while seeking international support--despite indications that the refugees are being harassed by thugs, apparently with official approval.

Meanwhile, the asylum issue is hardening anti-Cuba sentiment in Venezuela. Government officials there are incensed at Cuba's handling of the issue and at Castro's sharp criticism of President Herrera's recent trip to Nicaragua. Venezuelan Ambassador Rondon will not be returning to Cuba, and Caracas will wait to assess Havana's intentions before making a decision on maintaining relations.

These developments may strengthen pressure from hardline elements in the Venezuelan Government and the ruling party for stronger measures against Havana. Venezuela may consider canceling oil shipments to Cuba under a swap arrangement with the USSR and limiting commercial and cultural contacts.

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USSR: Grain Rumors
The Soviets appear to be circulating rumors in trade circles to create pressure on the US Government to relax the grain embargo.
The US has continued to supply the 6-8 million tons permitted annually under the agreement; the embargo pertains to much larger additional shipments.  The US has continued to supply under the agreement; the embargo pertains to much larger additional the Soviets would not need even the grain shipped under the long-term agreement because "the winter wheat grain crop looked excellent and the USSR had been so successful in obtaining grain from non-US sources."
The Soviets probably expect such information to be passed on to US officials and grain producers. The USSR hopes to change US policy by persuading producers that continuation of the embargo would mean the additional loss of the Soviet market for long-term agreement grain.
We believe that the Soviets will continue to need US grain and will not renounce the agreement. It is too early to predict the outcome of the Soviet 1980 grain harvest. Even if it is above-average, Moscow would still need to import large quantities of Western grainespecially corn of which the US is a major supplierto maintain its livestock program.

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CANADA:	Energy	Pricing

A confrontation is developing between Alberta and Ottawa over oil and gas prices.

With domestic oil prices currently at 45 percent of world levels and reserves declining, officials in the oil-producing province of Alberta are demanding rapid increases in Canadian energy prices. They argue that present prices result in a \$10 billion annual subsidy from the province to the rest of Canada.

Prime Minister Trudeau is concerned, however, over the impact that higher oil prices would have in the eastern provinces that elected him to office. In Ontario, both consumers and the province's industrial economy would be hard hit. For Quebec, cheap energy from western Canada is the most visible benefit of confederation.

In a show of determination, Alberta has taken over distribution of 80 percent of the province's crude production and threatens to delay construction on two proposed synthetic oil plants. It has also terminated sales of 100,000 barrels per day to an Ontario refinery.

Federal Energy Minister LaLonde has responded by threatening to distribute all domestically produced oil, and has revoked an agreement granting world prices for output from Alberta's two existing synthetic crude facilities.

Ottawa might be willing to meet Alberta halfway if Alberta were to agree to hold down natural gas prices and encourage the substitution of gas for imported oil-low gas prices would help industries in the east. Gas prices are linked to oil prices, but Alberta probably would be more flexible on gas pricing because reserves are plentiful and prospects are good that they will increase.

INDIA-US: Gandhi's Criticism	
Prime Minister Gandhi continues to criticize US policy on Afghanistan.	_
policy on Alghanistan.	
She has publicly criticized the US buildup in the Indian	
Ocean, but since returning to power in January has con-	
fined her sharpest attacks against the US to private	

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ARAB STATES: Radicals Meet

The leaders of Libya, Syria, Algeria, South Yemen, and the Palestine Liberation Organization—the radical Arabs' "Steadfastness Front"—are scheduled to meet today in Tripoli, Libya. Foreign Ministers of the group convened yesterday to draft an agenda that probably will focus on renewed condemnation of Egypt, Israel, and the US. The radicals seek to marshal Arab opposition to the ongoing Egyptian—Israeli—US negotiations and to implement more effective sanctions against Egypt. They may also work privately to arrange a rapprochement between feuding Libvan leader Qadhafi and PLO chief Arafat.

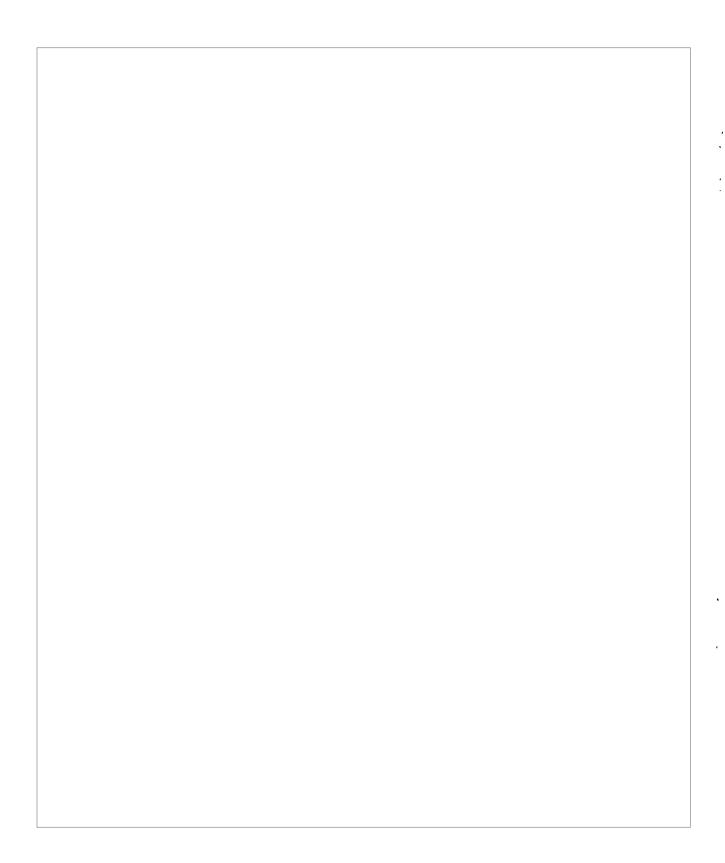
EL SALVADOR: Archbishop Romero's Successor

The Vatican's appointment of a moderate liberal as provisional successor to the assassinated Archbishop Romero suggests that the Church may play a greater role as political mediator. Monsignor Arturo Rivera y Damas—an intellectual leader of the Church's progressive wing—is known for his objectivity and evenhanded manner. He could encourage a dialogue between the government and the left, particularly if his appointment is made permanent—as seems likely. Most Salvadorans, recalling that Romero shifted from cautious moderate to outspoken liberal after his appointment as Archbishop, likely will withhold judgment on Rivera. He will, however, be subject to considerable pressure from both the conservative and radical wings of the Church.

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## MALI: Pressure on the President

Government officials and senior military officers, who convened in Bamako last Tuesday, apparently are still discussing whether Malian President Traore should be removed for his inept handling of economic and student problems. Traore's shaky position probably will be undermined further by France's decision to reduce its budgetary support to its former colony; France is Mali's principal financial benefactor.



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